

LOCASSOCK Contact Report

Date: 2 December 1958, 2000 to 0200

Present: L-1, ☐

Place: Greenhouse safehouse

Next Mtg: To be arranged

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES/METHODS EXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

1. This special meeting was called by the undersigned to confront L-1 with an authoritative re-statement of our policy on LOCASSOCK, with all its pessimistic implications, and to find out, once and for all, whether he's willing to go along with it. This "showdown" was precipitated by L-1's refusal at the last meeting to run black letter operations, but its deeper causes lay in L-1's increasing reluctance to cooperate with our instructions and proposals over the past months and in the resulting loss of rapport between the case officer and L-1. ☐ ☐ attended the meeting in order to re-state in as definitive a form as possible our final position on L-1 and LOCASSOCK.

2. L-1 began by reiterating his arguments on the black letter issue. These were reported in the contact report on the previous meeting. With his rejection of our proposals on this issue as a peg, we then proceeded to lay out the full and serious implications of his position and to outline, to the fullest extent possible under the present operational conditions, the import of our current and future policy on LOCASSOCK. In effect, our outline covered the following points:

a. LOCASSOCK reorganization and our "specialized" reorientation program regarding media are the result of a policy begun about a year ago. This policy is now firmly established. It is now being fully implemented at LOCASSOCK's level.

b. The policy, as it evolved, required a full reorganization of the LOCASSOCK staff to meet flexible operational requirements, (a cutback in staff personnel) and involved a reduced subsidy. It also aimed at reducing overhead costs in line with the staff reorganization and the switch to less expensive specialized media. In order to establish a permanent and legitimate cover for the enterprise and to cushion the financial cut-back by sales income, commercialization was initiated about a year ago.

c. Thus far, none of the above developments has satisfactorily implemented our policy. Despite persistent efforts and requests on our part, L-1 has done nothing on reorganization. Except for the voluntary resignation of Christman, the old staff remains. More than that, it has to be a great extent become superfluous to our changing operational program. L-1 has not accommodated himself to the reduced subsidy---either personally or organizationally---and his attitude on this score has effectively blocked any real progress in reorienting operations. There has been no reduction in overhead costs---none at least

that have been

LOCASSOCK-1
201

X. L-1's primary concern to maintain his hard-won reputation as a legitimate publisher of war propaganda is certainly understandable in the history of our relationship to this reputation. First by American publications, second by registration of the firm, thirdly through commercialization. It is one of our enduring policy, however, L-1 can no longer regard himself as an independent agent on this score. To a considerable extent we will require that, insofar as the business is conducted by us, to that extent he must subordinate his public reputation to our objectives.

1. I-I thus had a basic decision to make. He could agree to abide by the full implications of the above policy, in which case we would be very happy to continue our relationship with him. Or he could decide that his own personal and operational goals were more important and could resign. In the latter case, we would be sorry to lose him but we would respect and understand his decision, and we would wish him well. And we would continue our efforts to encourage cooperation with his successor, whoever it might be.

He was visibly impressed with the gravity of the situation. We gave him the opportunity to ask us any and all questions on the problem. Questions were designed but seemingly none. In contrast to the rapport between the case officer and subject, the subject showed little openness or agreement. His questions were directed mainly with regard to the points in his defense. The subject's impression was that he was being half-coerced to capitulate but he felt he could not help. He seemed concerned to pin down our position. His policy was to ask us to make a promise or withdraw our threats. He was now favorable but seemed to be waiting for us to make a promise. He was going to give his answer in the next six months. He was not sure if he could depend on his own statement. He was not sure if he could participate in the investigation with confidence.

over Berlin. The

This period was to him the climax of his career as a soldier. At the same time, he was seriously thinking about his personal future. He ruled out going back to the Navy and saw little chance for himself in straight journalism. The possibilities of a job with or independent support from the Bonn government, notably CAWASH, appeared to be his major alternative plan for the moment.

4. The whole meeting was surprisingly calm and well-ordered---surprisingly, that is, when compared to earlier meetings. [] seemed to understand perfectly our intent and the "lith hour" decision with which he was confronted. We asked him to give us his answer as soon as possible. If he had any more questions he was to get in touch with the undersigned for additional discussions. Pending receipt of his decision things on our side would be marking time.

[]